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SUBJECT

U.S. Relations with Argentina

SANFORD UNGAR: Commentator Daniel Schorr says that a misstatement by President Reagan may have affected a quiet diplomatic attempt to smooth over U.S. relations with Argentina.

DANIEL SCHORR: The effort was conducted by General Vernon Walters, former Deputy Director of the CIA, one-time interpreter for President Nixon on his South American tour. Walters, according to Argentine sources, assured the junta last week that the United States was moving towards a more evenhanded position and did not intend to provide any significant military assistance to Britain. He reportedly said the United States no longer considers Argentina as intransigent in the negotiations, since Argentina has dropped sovereignty over the Falklands as a precondition for a ceasefire.

It was, in fact, the sign of weakening American and Common Market support that contributed to the return of Britain's ambassadors to London for a reassessment of the Thatcher government's position.

In preparation for his press conference last week, President Reagan was briefed to make a careful conciliatory gesture to Argentina. That, for the most part, he did by saying, "I don't think there's been any irreparable damage done," and by referring to "all those of us who want to be brokers for a peaceful settlement," even though Secretary Haig had officially abandoned a broker's position by declaring sanctions against Argentina on April 30th.

But the President didn't stop there.

PRESIDENT RONALD REAGAN: Up until now, the intransigence had been on one side, and that is in wanting a guaranty of sovereignty before the negotiations took place, which doesn't make much sense.

SCHORR: The President neglected to add, as he'd been briefed to do, that Argentina, having dropped that condition, was now displaying flexibility.

The result was blazing headlines the next day in the Argentine newspapers saying that the President had denounced Argentina for intransigence. President Galtieri, who had avoided any public criticism of the United States since the visit of General Walters, now went on television saying he was greatly saddened by the U.S. position. And as a further sign of displeasure, stories were leaked to Argentine newspapers that American Ambassador Harry Schaluterman (?) was trying to destabilize the junta by contacts with Peronist opposition leaders, which the embassy has denied.

Well, American officials are now trying to persuade Argentine diplomats that President Reagan had meant to say something friendly. But so great is the gulf of suspicion that Argentine diplomats express doubt. As one put it, "All we know is the President's remarks have put our government in a most difficult position."

Most often, when President Reagan misspeaks the fallout is domestic and short-lived. But his imprecisely-worded statement on the Falkland Islands crisis may have undone the intensive secret diplomacy aimed at repairing relations with Argentina.